

The Senate Finance Committee offered the following substitute to HB 480:

A BILL TO BE ENTITLED
AN ACT

To amend Titles 40 and 48 of the Official Code of Georgia Annotated, relating, respectively, to motor vehicles and revenue and taxation, so as to provide for the comprehensive revision of taxation of motor vehicles; to change certain provisions regarding tag agents; to provide for state and local title fees; to provide for continuation of tag, revalidation, and registration fees; to provide for distribution of such state and local title fees; to exclude certain vehicles from certain fees; to change certain provisions regarding classification of motor vehicles as a separate class of property for ad valorem tax purposes; to provide for an additional classification exempt from such taxation; to provide for an exemption from sales and use taxes only with respect to certain sales or purchases of certain motor vehicles; to provide for related matters; to provide for certain reports; to provide for the intent of the General Assembly with regard to the allocation of certain funds received from state title fees and for funding the Georgia Trauma Trust Fund; to provide for related matters; to provide for effective dates; to provide for automatic repeal of certain provisions and reenactment of prior provisions; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

PART I
SECTION 1-1.

Title 40 of the Official Code of Georgia Annotated, relating to motor vehicles, is amended by revising Code Section 40-2-23, relating to county tax collectors and county tax commissioners designation as tax agents, as follows:

"40-2-23.

(a) The tax collectors of the various counties of this state and the tax commissioners of those counties in which the duties of the tax collector are performed by a tax commissioner shall be designated as tag agents of the commissioner for the purpose of accepting applications for the registration of vehicles. The commissioner is authorized to promulgate

rules and regulations for the purpose of delegating to such tag agents the custodial responsibility for properly receiving, processing, issuing, and storing motor vehicle titles or registrations, or both.

~~(b) The state revenue commissioner is authorized to further designate each such tag agent as a sales tax agent for the purpose of collecting sales and use tax with respect to the casual sale or casual use of a motor vehicle. For purposes of this Code section, 'casual sale' or 'casual use' means the sale of a motor vehicle by a person who is not regularly or systematically engaged in making retail sales of motor vehicles and the first use, consumption, distribution, or storage for use or consumption of such motor vehicle purchased through a casual sale. As personal compensation for services rendered to the Department of Revenue with respect to the collection of such sales and use tax, each such designated tag agent shall be authorized to retain from such collection a fee of \$200.00 per month. In any month in which an insufficient amount of such tax is collected to pay such fee, the amount of any such unpaid fee may be deferred until such month as sufficient collections are made. Such compensation shall be in addition to any other compensation to which such tax collector or tax commissioner is entitled.~~

~~(c)~~(b) The duties and responsibilities of agents of the commissioner designated under this Code section shall be a part of the official duties and responsibilities of the county tax collectors and tax commissioners."

SECTION 1-2.

Said title is further amended by adding a new Code section to read as follows:

"40-2-25.1.

(a) As used in this Code section, the term 'immediate family member' means spouse, parent, children, or sibling.

(b)(1) Except as otherwise provided in this subsection, any motor vehicle for which a title is issued in this state on or after January 1, 2010, shall be exempt from sales tax to the extent provided under paragraph (87) of Code Section 48-8-3 and shall not be subject to ad valorem tax as otherwise required under Chapter 5 of Title 48. Any such motor vehicle shall be titled as otherwise required under this title but shall be subject to:

(A) A state title fee in the amount equal to the lesser of \$720.00 or 3.36 percent of the fair market value of such vehicle. For purposes of this subparagraph, the fair market value of a motor vehicle shall be determined as follows:

(i) The average of the current fair market value and the current wholesale value of a motor vehicle for a vehicle listed in the current motor vehicle ad valorem assessment manual utilized by the state revenue commissioner in determining taxable value of a motor vehicle under Code Section 48-5-442;

(ii) For a used or preowned motor vehicle which is not so listed in such current motor vehicle ad valorem assessment manual, the fair market value determined by the state revenue commissioner shall be the value from the bill of sale or the value from a reputable used car market guide, whichever is greater; or

(iii) The fair market value determined from the bill of sale of a new motor vehicle less any rebate and before any reduction for the trade-in value of another motor vehicle; and

(B) A local title fee in the amount equal to the lesser of \$780.00 or 3.64 percent of the fair market value of such vehicle. For purposes of this subparagraph, the fair market value of a motor vehicle shall be determined as follows:

(i) The average of the current fair market value and the current wholesale value of a motor vehicle for a vehicle listed in the current motor vehicle ad valorem assessment manual utilized by the state revenue commissioner in determining taxable value of a motor vehicle under Code Section 48-5-442;

(ii) For a used or preowned motor vehicle which is not so listed in such current motor vehicle ad valorem assessment manual, the fair market value determined by the state revenue commissioner shall be the value from the bill of sale or the value from a reputable used car market guide, whichever is greater; or

(iii) The fair market value determined from the bill of sale of a new motor vehicle less any rebate and before any reduction for the trade-in value of another motor vehicle.

(C) The tag agent may collect a fee in an amount not to exceed \$10.00 per title for each new title which is applied for by any new or used car dealer who titles a motor vehicle in a county other than the county in which the purchaser registers such motor vehicle. Such fee shall be retained by the tag agent to cover the cost of administrative processing of the title.

(D) There shall be a penalty imposed on any person who, in the determination of the state revenue commissioner, falsifies any information in any bill of sale used for purposes of determining fair market value. Such penalty shall be in an amount not to exceed \$2,500.00 as a state penalty and in an amount not to exceed \$2,500.00 as a local penalty as determined by the state revenue commissioner. Such determination shall be made within 60 days of the state revenue commissioner receiving information of a possible violation of this paragraph.

(2) A person or entity acquiring a salvage title pursuant to subsection (b) of Code Section 40-3-36 shall not be subject to the fee specified in paragraph (1) of this subsection but shall be subject to a state title fee in the amount of \$10.00 and a local title fee in the amount of \$10.00.

99 (3)(A) Upon the death of an owner of a motor vehicle which has not become subject
100 to paragraph (1) of this subsection, the immediate family member or immediate family
101 members of such owner who receive such motor vehicle pursuant to a will or under the
102 rules of inheritance shall, subsequent to the transfer of title of such motor vehicle,
103 continue to be subject to ad valorem tax and shall not be subject to the state and local
104 title fees provided for in paragraph (1) of this subsection unless the immediate family
105 member or immediate family members make an affirmative written election to become
106 subject to paragraph (1) of this subsection. In the event of such election, such transfer
107 shall be subject to the state and local title fees provided for in paragraph (1) of this
108 subsection.

109 (B) Upon the death of an owner of a motor vehicle which has become subject to
110 paragraph (1) of this subsection, the immediate family member or immediate family
111 members of such owner who receive such motor vehicle pursuant to a will or under the
112 rules of inheritance shall be allowed a one-time exemption from state and local titles
113 fee upon payment in lieu thereof of a \$25.00 state administrative fee and a \$25.00 local
114 administrative fee.

115 (4)(A) Upon the transfer from an immediate family member of a motor vehicle which
116 has not become subject to paragraph (1) of this subsection, the immediate family
117 member or immediate family members who receive such motor vehicle shall,
118 subsequent to the transfer of title of such motor vehicle, continue to be subject to ad
119 valorem tax and shall not be subject to the state and local title fees provided for in
120 paragraph (1) of this subsection unless the immediate family member or immediate
121 family members make an affirmative written election to become subject to paragraph
122 (1) of this subsection. In the event of such election, such transfer shall be subject to the
123 state and local title fees provided for in paragraph (1) of this subsection.

124 (B) Upon the transfer from an immediate family member of a motor vehicle which has
125 become subject to paragraph (1) of this subsection, the immediate family member who
126 receives such motor vehicle shall transfer title of such motor vehicle to such recipient
127 family member and shall be allowed a one-time exemption from state and local titles
128 fee upon payment in lieu thereof of a \$25.00 state administrative fee and a \$25.00 local
129 administrative fee.

130 (C) Any title transfer under this paragraph shall be accompanied by an affidavit of the
131 transferor and transferee that such persons are immediate family members to one
132 another. There shall be a penalty imposed on any person who, in the determination of
133 the state revenue commissioner, falsifies any material information in such affidavit.
134 Such penalty shall be in an amount not to exceed \$2,500.00 as a state penalty and in an
135 amount not to exceed \$2,500.00 as a local penalty as determined by the state revenue

commissioner. Such determination shall be made within 60 days of the state revenue commissioner receiving information of a possible violation of this paragraph.

(5) Any individual who:

(A) Is required by law to register a motor vehicle or motor vehicles in this state which were registered in the state in which such person formerly resided; and

(B) Is required to file an application for a certificate of title under Code Section 40-3-21 or 40-3-32

shall only be required to pay state and local title fees in the amount of 50 percent of the amount which would otherwise be due and payable under this subsection at the time of filing the application for a certificate of title, and the remaining 50 percent shall be paid within 12 months.

(6) The state and local title fees provided for under this Code section shall not apply to corrected titles, replacement titles under Code Section 40-3-31, or titles reissued to the same owner which reflect satisfaction of liens.

(7) Any motor vehicle subject to state and local title fees under this subsection shall continue to be subject to the title, tag, revalidation decal, and registration requirements and applicable fees as otherwise provided in this title in the same manner as motor vehicles which are not subject to state and local title fees under this subsection.

(8) Motor vehicles owned or leased by or to the state or any county, consolidated government, municipality, county or independent school district, or other government entity in this state shall not be subject to the state and local title fees provided for under this subsection; provided, however, that such other government entity shall not qualify for the exclusion under this paragraph unless it is exempt from ad valorem tax and sales and use tax pursuant to general law.

(9)(A) Any motor vehicle which is exempt from sales and use tax pursuant to paragraph (30) of Code Section 48-8-3 shall be exempt from state and local title fees under this subsection.

(B) Any motor vehicle which is exempt from ad valorem taxation pursuant to Code Section 48-5-478, 48-5-478.1, or 48-5-478.2 shall be exempt from state and local title fees under this subsection.

(10) There shall be a penalty imposed on the transfer of all or any part of the interest in a business entity, which interest includes primarily as an asset of such business entity one or more motor vehicles, when, in the determination of the state revenue commissioner, such transfer is done to evade the payment of state and local title fees under this subsection. Such penalty shall be in an amount not to exceed \$2,500.00 as a state penalty per motor vehicle and in an amount not to exceed \$2,500.00 as a local penalty per motor vehicle, as determined by the state revenue commissioner, plus the amount of the state

and local title fees. Such determination shall be made within 60 days of the state revenue commissioner receiving information that a transfer may be in violation of this paragraph.

(11) Any owner of any motor vehicle who fails to submit within 30 days of the date such owner is required by law to register such vehicle in this state an application for a first certificate of title under Code Section 40-3-21 or a certificate of title under Code Section 40-3-32 shall be required to pay a penalty in the amount of 10 percent of the state title fees and 10 percent of the local title fees required under this Code section, plus interest at the rate of 1.0 percent per month, unless a temporary permit has been issued by the tax commissioner. In the event the failure to timely apply for a first certificate of title is due to the failure of a lienholder to comply with Code Section 40-3-56, regarding release of a security interest or lien, the tax commissioner shall grant a temporary permit, and no penalty or interest shall be assessed. Such penalty and interest shall be in addition to the penalty and fee required under Code Section 40-3-21 or 40-3-32, as applicable. A new or used motor vehicle dealer shall be responsible for remitting state and local title fees in the same manner as otherwise required of an owner under this paragraph and shall be subject to the same penalties and interest as an owner for noncompliance with the requirements of this paragraph.

(12) The owner of any motor vehicle purchased in this state for which a title was issued in this state on or after January 1, 2009, and prior to January 1, 2010, shall be authorized to opt in to the provisions of this subsection at any time prior to January 1, 2011, upon compliance with the following requirements:

(A) The total amount of state and local title fees which would be due in 2010 if such vehicle had been titled in 2010 shall be determined;

(B) The total amount of state and local sales and use tax and state and local ad valorem tax which were due and paid in 2009 with respect to that motor vehicle and, if applicable, the total amount of such taxes which were due and paid with respect to that motor vehicle in 2010 shall be determined;

(C) If the amount derived under subparagraph (A) of this paragraph is greater than the amount derived under subparagraph (B) of this paragraph, the owner shall remit the difference to the tag agent. Such remittance shall be deemed local title fee proceeds; or

(D) If the amount derived under subparagraph (A) of this paragraph is less than the amount derived under subparagraph (B) of this paragraph, no additional amount shall be due and payable by the owner.

Upon certification of compliance by the tag agent with the requirements of this paragraph, such motor vehicle shall be exempt from sales tax to the extent provided for under paragraph (87) of Code Section 48-8-3 and shall not be subject to ad valorem tax

as otherwise required under Chapter 5 of Title 48 in the same manner as otherwise provided in paragraph (1) of this subsection.

(13)(A) As used in this paragraph, the term:

(i) 'Rental charge' means the total value received by a rental motor vehicle concern for the rental for 31 or fewer consecutive days of a rental motor vehicle, including the total cash and nonmonetary consideration for the rental, including, but not limited to, charges based on time or mileage and charges for insurance coverage or collision damage waiver, but excluding all charges for motor fuel taxes or sales taxes.

(ii) 'Rental motor vehicle' means a motor vehicle designed to carry ten or fewer passengers and used primarily for the transportation of persons that is rented without a driver.

(B) In the case of a fleet of 50 or fewer rental motor vehicles, the state title fee shall be in the amount of \$100.00 per motor vehicle, and the local title fee shall be in the amount of \$150.00 per motor vehicle, but only if in the immediately prior calendar year, the average amount of sales and use tax attributable to the rental charge of each rental motor vehicle in such fleet was at least \$300.00 as certified by the state revenue commissioner.

(C) In the case of a fleet of more than 50 rental motor vehicles, the state title fee shall be in the amount of \$140.00 per motor vehicle, and the local title fee shall be in the amount of \$210.00 per motor vehicle, but only if in the immediately prior calendar year, the average amount of sales and use tax attributable to the rental charge of each rental motor vehicle in such fleet was at least \$400.00 as certified by the state revenue commissioner.

(14)(A) As used in this paragraph, the term 'loaner vehicle' means a motor vehicle owned by a dealer which is withdrawn temporarily from dealer inventory for exclusive use as a courtesy vehicle loaned at no charge for a period not to exceed 30 days within a calendar year to any one customer whose motor vehicle is being serviced by such dealer.

(B) A loaner vehicle shall be exempt from state and local title fees under this subsection for a period of time not to exceed six months in a calendar year commencing on the date such loaner vehicle is withdrawn temporarily from inventory. Immediately upon the expiration of such six-month period, if the dealer does not return the loaner vehicle to inventory for resale, the dealer shall be responsible for remitting state and local title fees in the same manner as otherwise required of an owner under paragraph (11) of this subsection and shall be subject to the same penalties and interest as an owner for noncompliance with the requirements of paragraph (11) of this subsection.

(c)(1) The amount of proceeds collected by tag agents each month as state and local title fees, state and local salvage title fees, administrative fees, penalties, and interest pursuant to subsection (b) of this Code section shall be allocated and disbursed as provided in this subsection.

(2)(A) For the 2010 tax year and in each subsequent tax year, the amount of such funds shall be disbursed within 30 days following the end of each calendar month as follows:

(i) State title fees, state salvage title fees, administrative fees, penalties, and interest shall be remitted to the state revenue commissioner who shall deposit such proceeds in the general fund of the state; and

(ii) Local title fees, local salvage title fees, administrative fees, penalties, and interest shall be designated as local government funds and shall be disbursed based upon the address of the owner indicated upon the title by the tag agent of the county. The tag agent shall then distribute the proceeds as specified in paragraph (3) of this subsection.

(B) For the 2011 tax year and in each subsequent tax year:

(i) The dollar amount specified in subparagraph (b)(1)(A) of this Code section shall decrease annually by \$30.00, and the percentage figure specified in subparagraph (b)(1)(A) of this Code section shall decrease annually by .14 of 1 percent until the state title fee shall be in an amount equal to the lesser of \$600.00 or 2.8 percent of the fair market value of such vehicle. For purposes of this division, the fair market value of a motor vehicle shall be determined as follows:

(I) The average of the current fair market value and the current wholesale value of a motor vehicle for a vehicle listed in the current motor vehicle ad valorem assessment manual utilized by the state revenue commissioner in determining taxable value of a motor vehicle under Code Section 48-5-442;

(II) The fair market value determined by the state revenue commissioner from the bill of sale or from a reputable used car market guide in the same manner as for a used or preowned motor vehicle which is not so listed in such current motor vehicle ad valorem assessment manual; or

(III) The fair market value determined by the state revenue commissioner from the bill of sale of a new motor vehicle less any rebate and before any reduction for the trade-in value of another motor vehicle; and

(ii) The dollar amount specified in subparagraph (b)(1)(B) of this Code section shall increase annually by \$30.00, and the percentage figure specified in subparagraph (b)(1)(B) of this Code section shall increase annually by .14 of 1 percent until the local title fee shall be in an amount equal to the lesser of \$900.00 or

4.2 percent of the fair market value of such vehicle. For purposes of this division, the fair market value of a motor vehicle shall be determined as follows:

(I) The average of the current fair market value and the current wholesale value of a motor vehicle for a vehicle listed in the current motor vehicle ad valorem assessment manual utilized by the state revenue commissioner in determining taxable value of a motor vehicle under Code Section 48-5-442;

(II) The fair market value determined by the state revenue commissioner from the bill of sale or from a reputable used car market guide in the same manner as for a used or preowned motor vehicle which is not so listed in such current motor vehicle ad valorem assessment manual; or

(III) The fair market value determined by the state revenue commissioner from the bill of sale of a new motor vehicle less any rebate and before any reduction for the trade-in value of another motor vehicle.

(3) The distribution of local title fee proceeds required under this subsection shall be in accordance with the following:

(A) The tag agent of the county shall within 30 days following the end of each calendar month allocate and distribute to the county governing authority and to municipal governing authorities, the board of education of the county school district, and the board of education of any independent school district located in such county a proportionate amount of those proceeds which represents the amount of ad valorem taxes on motor vehicles which would have been due to each such entity; and

(B) Of the proceeds remaining following the allocation and distribution under subparagraph (A) of this paragraph, the tag agent shall allocate and distribute to the county governing authority and to municipal governing authorities, the board of education of the county school district, and the board of education of any independent school district located in such county the remaining amount of those proceeds in the manner provided in this subparagraph. Of such remaining proceeds:

(i) An amount equal to one-third of such proceeds shall be distributed to the board of education of the county school district and the board of education of each independent school district located in such county in the same manner as required for any local sales tax for educational purposes levied pursuant to Part 2 of Article 3 of Chapter 8 of Title 48 currently in effect. If such tax is not currently in effect, such proceeds shall be distributed to such board or boards of education in the same manner as if such tax were in effect;

(ii)(I) Except as otherwise provided in this division, an amount equal to one-third of such proceeds shall be distributed to the governing authority of the county and the governing authority of each qualified municipality located in such county in the

319 same manner as specified under the distribution certificate for the joint county and
320 municipal sales and use tax under Article 2 of Chapter 8 of Title 48 currently in
321 effect.

322 (II) If such tax were never in effect, such proceeds shall be distributed to the
323 governing authority of the county and the governing authority of each qualified
324 municipality located in such county on a pro rata basis according to the ratio of the
325 population that each such municipality bears to the population of the entire county.

326 (III) If such tax is currently in effect as well as a local option sales and use tax for
327 educational purposes levied pursuant to a local constitutional amendment, an
328 amount equal to one-third of such proceeds shall be distributed in the same manner
329 as required under subdivision (I) of division (ii) of this subparagraph and an amount
330 equal to one-third of such proceeds shall be distributed to the board of education of
331 the county school district.

332 (IV) If such tax is not currently in effect and a local option sales and use tax for
333 educational purposes levied pursuant to a local constitutional amendment is
334 currently in effect, such proceeds shall be distributed to the board of education of
335 the county school district and the board of education of any independent school
336 district in the same manner as required under that local constitutional amendment.

337 (V) If such tax is not currently in effect and a homestead option sales and use tax
338 under Article 2A of Chapter 8 of Title 48 is in effect, such proceeds shall be
339 distributed to the governing authority of the county, each qualified municipality, and
340 each existing municipality in the same proportion as otherwise required under Code
341 Section 48-8-104; and

342 (iii)(I) An amount equal to one-third of such proceeds shall be distributed to the
343 governing authority of the county and the governing authority of each qualified
344 municipality located in such county in the same manner as specified under an
345 intergovernmental agreement or as otherwise required under the county special
346 purpose local option sales and use tax under Part 1 of Article 3 of Chapter 8 of
347 Title 48 currently in effect; provided, however, that this subdivision shall not apply
348 if subdivision (III) of division (ii) of this subparagraph is applicable.

349 (II) If such tax were in effect but expired and is not currently in effect, such
350 proceeds shall be distributed to the governing authority of the county and the
351 governing authority of each qualified municipality located in such county in the
352 same manner as if such tax were still in effect according to the intergovernmental
353 agreement or as otherwise required under the county special purpose local sales and
354 use tax under Part 1 of Article 3 of Chapter 8 of Title 48 for the 12 month period
355 commencing at the expiration of such tax. If such tax is not renewed prior to the

expiration of such 12 month period, such amount shall be distributed in accordance with subdivision (I) of division (ii) of this subparagraph; provided, however, that if a tax under Article 2 of Chapter 8 of Title 48 is not in effect, such amount shall be distributed in accordance with subdivision (II) of division (ii) of this subparagraph.

(III) If such tax is not currently in effect in a county in which a tax is levied for purposes of a metropolitan area system of public transportation, as authorized by the amendment to the Constitution set out at Georgia Laws 1964, page 1008; the continuation of such amendment under Article XI, Section I, Paragraph IV(d) of the Constitution; and the laws enacted pursuant to such constitutional amendment, such proceeds shall be distributed to the governing body of the authority created by local Act to operate such metropolitan area system of public transportation.

(IV) If such tax were never in effect, such proceeds shall be distributed in the same manner as specified under the distribution certificate for the joint county and municipal sales and use tax under Article 2 of Chapter 8 of Title 48 currently in effect; provided, however, that if such tax under said Article 2 is not in effect such proceeds shall be distributed to the governing authority of the county and the governing authority of each qualified municipality located in such county on a pro rata basis according to the ratio of the population that each such municipality bears to the population of the entire county.

(d) The fair market value of any motor vehicle subject to this Code section shall be appealable in the same manner as otherwise authorized for a motor vehicle subject to ad valorem taxation under Chapter 5 of Title 48.

(e)(1) As soon as practicable after the end of each fiscal year, the Office of Treasury and Fiscal Services shall report to the General Assembly, the Office of Planning and Budget, and the Georgia Trauma Care Network Commission the amount of funds remitted to the state for deposit in the general fund pursuant to this Code section from state title fees.

(2) It is the intent of the General Assembly that such funds be allocated as follows:

(A) For each fiscal year, an amount equal to 105 percent of the amount of state sales and use taxes received by the state on the sale of motor vehicles in 2009 shall be used for general appropriations;

(B) Subject to appropriation, an amount of those funds in excess of the amount provided in subparagraph (A) of this paragraph, if any, not to exceed the greater of \$150 million or an amount equal to the aggregate of \$50.00 for each title for which a state title fee was collected under subsection (b) of this Code section in the immediately preceding fiscal year, shall be made available during the following fiscal year to the Georgia Trauma Trust Fund for use of the Georgia Trauma Care Network Commission for the purposes set forth in Code Section 31-11-102; and

(C) For each fiscal year, all funds in excess of the amounts provided in subparagraphs (A) and (B) of this paragraph, if any, shall be used for general appropriations."

SECTION 1-3.

Title 48 of Official Code of Georgia Annotated, relating to revenue and taxation, is amended by revising Code Section 48-5-441, relating to classification of motor vehicles and mobile homes as separate classes of tangible property for ad valorem tax purposes, as follows:

"48-5-441.

(a)(1) For the purposes of ad valorem taxation, motor vehicles ~~are~~ shall be classified as a separate and distinct class of tangible property. Such class of tangible property shall be divided into two distinct and separate subclasses of tangible property with one subclass including heavy-duty equipment motor vehicles as defined in Code Section 48-5-505 and the other subclass including all other motor vehicles. The procedures prescribed by this article for returning motor vehicles, excluding heavy-duty equipment motor vehicles as defined in Code Section 48-5-505, for taxation, determining the applicable rates for taxation, and collecting the ad valorem tax imposed on motor vehicles shall be exclusive.

(2) This subsection shall not apply to motor vehicles subject to Code Section 48-5-441.1.

(b) For the purposes of ad valorem taxation, mobile homes ~~are~~ shall be classified as a separate and distinct class of tangible property. The procedures prescribed by this article for returning mobile homes for taxation, determining the applicable rates for taxation, and collecting the ad valorem tax imposed on mobile homes shall be exclusive.

(c)(1) For the purposes of ad valorem taxation, commercial vehicles ~~are~~ shall be classified as a separate and distinct class of tangible property. The procedures prescribed by this article for returning commercial vehicles for taxation and for determining the valuation of commercial vehicles shall be exclusive and as provided for in Code Section 48-5-442.1. All other procedures prescribed by this article for the taxation of motor vehicles shall be applicable to the taxation of commercial vehicles.

(2) This subsection shall not apply to motor vehicles subject to Code Section 48-5-441.1."

SECTION 1-4.

Said title is further amended by adding a new Code section to read as follows:

"48-5-441.1.

Motor vehicles subject to the provisions of Code Section 40-2-25.1 shall be classified as a separate and distinct class of tangible property and shall be exempt from all ad valorem taxation."

SECTION 1-5.

Said title is further amended in Code Section 48-8-3, relating to exemptions from sales and use tax, by replacing "; or" with a semicolon at the end of paragraph (85), replacing the period at the end of paragraph (86) with "; or", and by adding a new paragraph to read as follows:

"(87) The sale or purchase of any motor vehicle titled in this state on or after January 1, 2010, pursuant to Code Section 40-2-25.1."

PART II**SECTION 2-1.**

Title 40 of the Official Code of Georgia Annotated, relating to motor vehicles, is amended by repealing in its entirety Code Section 40-2-25.1, relating to motor vehicle title fees and trauma funding.

SECTION 2-2.

Title 48 of Official Code of Georgia Annotated, relating to revenue and taxation, is amended by revising Code Section 48-5-441, relating to classification of motor vehicles and mobile homes as separate classes of tangible property for ad valorem tax purposes, as follows:

"48-5-441.

(a)(1) For the purposes of ad valorem taxation, motor vehicles ~~shall be~~ are classified as a separate and distinct class of tangible property. Such class of tangible property shall be divided into two distinct and separate subclasses of tangible property with one subclass including heavy-duty equipment motor vehicles as defined in Code Section 48-5-505 and the other subclass including all other motor vehicles. The procedures prescribed by this article for returning motor vehicles, excluding heavy-duty equipment motor vehicles as defined in Code Section 48-5-505, for taxation, determining the applicable rates for taxation, and collecting the ad valorem tax imposed on motor vehicles shall be exclusive.

~~(2) This subsection shall not apply to motor vehicles subject to Code Section 48-5-441.1.~~

(b) For the purposes of ad valorem taxation, mobile homes ~~shall be~~ are classified as a separate and distinct class of tangible property. The procedures prescribed by this article for returning mobile homes for taxation, determining the applicable rates for taxation, and collecting the ad valorem tax imposed on mobile homes shall be exclusive.

(c)(1) For the purposes of ad valorem taxation, commercial vehicles ~~shall be~~ are classified as a separate and distinct class of tangible property. The procedures prescribed by this article for returning commercial vehicles for taxation and for determining the

valuation of commercial vehicles shall be exclusive and as provided for in Code Section 48-5-442.1. All other procedures prescribed by this article for the taxation of motor vehicles shall be applicable to the taxation of commercial vehicles.

~~(2) This subsection shall not apply to motor vehicles subject to Code Section 48-5-441.1.~~

(d) In the event a motor vehicle subject to the provisions of Code Section 40-2-25.1 as it existed immediately prior to January 1, 2015, was exempt from ad valorem taxation prior to January 1, 2015, such motor vehicle shall continue to be exempt from all ad valorem taxation until such motor vehicle is transferred to another owner."

SECTION 2-3.

Said title is further amended by repealing in its entirety Code Section 48-5-441.1, relating to classification of motor vehicles subject to Code Section 40-2-25.1 as a separate class of property.

SECTION 2-4.

Said title is further amended in Code Section 48-8-3, relating to exemptions from sales and use tax, by repealing and reserving paragraph (87).

PART III

SECTION 3-1.

(a) Part 1 of this Act and this part shall become effective on January 1, 2010.

(b) Part 2 of this Act shall become effective at the last moment of December 31, 2014.

SECTION 3-2.

All laws and parts of laws in conflict with this Act are repealed.